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I Libya's actual cash reserves are currently estimated at \$12 billion and Libya now spends about \$3 billion a year for Communist weapons. Washington has very little leverage over Libya's investment and financial needs. An insignificant amount of Libya's reserves are in the U.S., mostly in government securities and short-term bank accounts. We know very little about the location of Libya's official assets outside the U.S. We assume about 3/4 are in European and Japanese bank accounts. An attempt by the U.S. to block Libyan assets probably would lead to nationalization of U.S. companies in Libya and trigger a storm of protest from U.S. Allies and Arab countries.

II At the moment we have no information indicating that Libya is currently pursuing its previous plan of assassinating high U.S. intelligence officials. An envoy from Colonel Qadhafi has told us that these plans have been dropped. At the same time we cannot verify the envoy's assertion with complete confidence. It seems probable to us that Qadhafi is holding back on the plans for tactical reasons. He may resume them at some future time.

The Libyans nevertheless continue their activities against the Sudanese and have even stepped it up in response to their perception that President Nimeri's current political troubles make him particularly vulnerable.

III Niger is probably the next priority target inside Africa and we have had reports that the Libyans are organizing Nigerien dissidents to operate against the country from bases inside Benin.

The Libyans continue to be interested in destabilizing Mali and Senegal but we have had no reports of recent activity. We do have indications of current Libyan interest in Togo and the Central African Republic, but the report is fragmentary and the threat does not appear serious.

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